

# DEPARTMENT OF LIVESTOCK

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## STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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### BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA

#### STATE DOCUMENTS COLLECTION ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

MAY 10 2000

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#### PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

|                                     |    |            |
|-------------------------------------|----|------------|
| CLASS I PRICE FOR MILK TESTING 3.5% | \$ | 14.03 /CWT |
|-------------------------------------|----|------------|

#### EFFECTIVE JUNE 1, 2000:

The minimum price to pay milk producers, under ARM 32.24.301, is \$ 14.03 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 10.2 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.02.

|                                   |            |
|-----------------------------------|------------|
| CLASS I BUTTERFAT PRICE PER POUND | \$1.02 /LB |
|-----------------------------------|------------|

#### PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

|                                      |              |
|--------------------------------------|--------------|
| CLASS II PRICE FOR MILK TESTING 3.5% | \$11.52 /CWT |
|--------------------------------------|--------------|

|                                       |   |           |
|---------------------------------------|---|-----------|
| Average spray process dry milk solids |   |           |
| price per pound                       | = | \$1.01250 |
| Multiplied by 8.2                     | x | 8.2       |

\$8.30250

\$8.30250

PLUS +

|   |   |           |
|---|---|-----------|
| Last quote of the month for Grade AA butter |   |           |
| minus a differential of \$.0895             | = | \$1.02050 |
| Multiplied by 4.2                           | x | 4.2       |

\$4.28610

+ \$4.28610

\$12.58860

LESS a make allowance of 8.5% ( \$12.5886 X .085)

- \$1.07003

\$11.51857

Rounded to the nearest whole cent

\$11.52 /hundredweight.

EFF: JUNE 1, 2000

**CLASS II BUTTERFAT PRICE PER POUND****\$1.13 /LB**

|   |   |           |          |           |
|---|---|-----------|----------|-----------|
| Last quote of the month for Grade AA butter |   |           |          |           |
| minus a differential of \$.0895             | = | \$1.02050 | X .111 ) | =         |
| Rounded to the nearest half cent            |   |           |          | =         |
|   |   |           |          | \$0.11328 |
|   |   |           |          | \$0.113   |

**CLASS II VALUE OF ONE POUND OF SKIM****\$0.07839 /LB**

|  |                      |   |               |
|--|----------------------|---|---------------|
| Butterfat value per pound                | \$1.13               |   |               |
| for milk at 3.5% test:                   |                      |   |               |
| Hundredweight price of milk testing 3.5% |                      | = | \$11.52       |
| LESS 3.5 pounds of butterfat at          | \$1.13 per pound     | - | \$3.955       |
| Value of 96.5 pounds of skim             |                      | = | \$7.565       |
| Value of one pound of skim               | 7.565 / 96.5 pounds) | = | \$0.07839 /LB |

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS III BUTTERFAT PRICE PER POUND****\$0.92 /LB**

|   |             |
|---|-------------|
| Last quote of the month for Grade AA butter |             |
| minus a difference of \$.0895               | = \$1.02050 |
| LESS 10%                                    | \$0.10205   |
|   | \$0.91845   |

|                                   |                   |
|-----------------------------------|-------------------|
| Rounded to the nearest whole cent | \$0.92 per pound. |
|-----------------------------------|-------------------|

**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$6.89108 /CWT**

|  |           |
|--|-----------|
| Avg. spray process dry milk solid price/lb | \$1.01250 |
| Multiplied by 8.2                          | 8.2       |
|  | \$8.30250 |
| LESS 17%                                   | \$1.41143 |
|  | \$6.89108 |

|                                   |                           |
|-----------------------------------|---------------------------|
| Rounded to the nearest whole cent | \$6.89 per hundredweight. |
|-----------------------------------|---------------------------|

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$9.87 /CWT**

|                         |                        |         |
|-------------------------|------------------------|---------|
| 3.5 pounds of butterfat | \$0.92 per pound =     | \$3.220 |
| 96.5 pounds of skim     | \$0.06891, per pound = | \$6.650 |

**\$9.870 /CWT**

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by:

*Marlys M. Mattfeldt*  
 Marlys M. Mattfeldt, Acting Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

| CLASS I SKIM PRICE BASED ON<br>\$ 14.03 FOR 3.5% MILK<br>96.5 LBS = \$10.460 |           | CLASS II SKIM PRICE BASED ON<br>\$11.52 FOR 3.5% MILK<br>96.5 LBS = \$7.565 |           | CLASS III SKIM PRICE BASED ON<br>\$9.87 FOR 3.5% MILK<br>96.5 LBS = \$6.650 |           |
|--|-----------|---|-----------|---|-----------|
| TEST   | PRICE/LB  | TEST  | PRICE/LB  | TEST  | PRICE/LB  |
| 2.50   | \$0.10728 | 2.50  | \$0.07759 | 2.50  | \$0.06820 |
| 2.55   | \$0.10734 | 2.55  | \$0.07763 | 2.55  | \$0.06824 |
| 2.60   | \$0.10739 | 2.60  | \$0.07767 | 2.60  | \$0.06827 |
| 2.65   | \$0.10745 | 2.65  | \$0.07771 | 2.65  | \$0.06831 |
| 2.70   | \$0.10750 | 2.70  | \$0.07775 | 2.70  | \$0.06834 |
| 2.75   | \$0.10756 | 2.75  | \$0.07779 | 2.75  | \$0.06838 |
| 2.80   | \$0.10761 | 2.80  | \$0.07783 | 2.80  | \$0.06841 |
| 2.85   | \$0.10767 | 2.85  | \$0.07787 | 2.85  | \$0.06845 |
| 2.90   | \$0.10772 | 2.90  | \$0.07791 | 2.90  | \$0.06848 |
| 2.95   | \$0.10778 | 2.95  | \$0.07795 | 2.95  | \$0.06852 |
| 3.00   | \$0.10784 | 3.00  | \$0.07799 | 3.00  | \$0.06856 |
| 3.05   | \$0.10789 | 3.05  | \$0.07803 | 3.05  | \$0.06859 |
| 3.10   | \$0.10795 | 3.10  | \$0.07807 | 3.10  | \$0.06863 |
| 3.15   | \$0.10800 | 3.15  | \$0.07811 | 3.15  | \$0.06866 |
| 3.20   | \$0.10806 | 3.20  | \$0.07815 | 3.20  | \$0.06870 |
| 3.25   | \$0.10811 | 3.25  | \$0.07819 | 3.25  | \$0.06873 |
| 3.30   | \$0.10817 | 3.30  | \$0.07823 | 3.30  | \$0.06877 |
| 3.35   | \$0.10823 | 3.35  | \$0.07827 | 3.35  | \$0.06880 |
| 3.40   | \$0.10828 | 3.40  | \$0.07831 | 3.40  | \$0.06884 |
| 3.45   | \$0.10834 | 3.45  | \$0.07835 | 3.45  | \$0.06888 |
| 3.50   | \$0.10839 | 3.50  | \$0.07839 | 3.50  | \$0.06891 |
| 3.55   | \$0.10845 | 3.55  | \$0.07843 | 3.55  | \$0.06895 |
| 3.60   | \$0.10851 | 3.60  | \$0.07848 | 3.60  | \$0.06898 |
| 3.65   | \$0.10856 | 3.65  | \$0.07852 | 3.65  | \$0.06902 |
| 3.70   | \$0.10862 | 3.70  | \$0.07856 | 3.70  | \$0.06905 |
| 3.75   | \$0.10868 | 3.75  | \$0.07860 | 3.75  | \$0.06909 |
| 3.80   | \$0.10873 | 3.80  | \$0.07864 | 3.80  | \$0.06913 |
| 3.85   | \$0.10879 | 3.85  | \$0.07868 | 3.85  | \$0.06916 |
| 3.90   | \$0.10884 | 3.90  | \$0.07872 | 3.90  | \$0.06920 |
| 3.95   | \$0.10890 | 3.95  | \$0.07876 | 3.95  | \$0.06923 |
| 4.00   | \$0.10896 | 4.00  | \$0.07880 | 4.00  | \$0.06927 |
| 4.05   | \$0.10902 | 4.05  | \$0.07884 | 4.05  | \$0.06931 |
| 4.10   | \$0.10907 | 4.10  | \$0.07888 | 4.10  | \$0.06934 |
| 4.15   | \$0.10913 | 4.15  | \$0.07893 | 4.15  | \$0.06938 |
| 4.20   | \$0.10919 | 4.20  | \$0.07897 | 4.20  | \$0.06941 |
| 4.25   | \$0.10924 | 4.25  | \$0.07901 | 4.25  | \$0.06945 |
| 4.30   | \$0.10930 | 4.30  | \$0.07905 | 4.30  | \$0.06949 |
| 4.35   | \$0.10936 | 4.35  | \$0.07909 | 4.35  | \$0.06952 |
| 4.40   | \$0.10941 | 4.40  | \$0.07913 | 4.40  | \$0.06956 |
| 4.45   | \$0.10947 | 4.45  | \$0.07917 | 4.45  | \$0.06960 |
| 4.50   | \$0.10953 | 4.50  | \$0.07921 | 4.50  | \$0.06963 |

## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1999 and 2000

Statistics from the Montana Milk Control Bureau

| Month          | 1999           | 2000           | Difference      | % Change       |
|----------------|----------------|----------------|-----------------|----------------|
| January        | \$19.39        | \$12.34        | (\$7.05)        | -36.36%        |
| February       | \$19.89        | \$13.45        | (\$6.44)        | -32.38%        |
| March          | \$18.82        | \$13.26        | (\$5.56)        | -29.54%        |
| April          | \$12.82        | \$13.39        | \$0.57          | 4.45%          |
| May            | \$14.17        | \$13.48        | (\$0.69)        | -4.87%         |
| June           | \$14.36        | \$14.03        | (\$0.33)        | -2.30%         |
| July           | \$13.81        |                |                 |                |
| August         | \$13.97        |                |                 |                |
| September      | \$16.14        |                |                 |                |
| October        | \$18.34        |                |                 |                |
| November       | \$18.81        |                |                 |                |
| December       | <u>\$14.04</u> |                |                 |                |
| <b>Average</b> | <b>\$16.21</b> | <b>\$13.33</b> | <b>(\$3.25)</b> | <b>-16.83%</b> |

Prices are per hundredweight (CWT).

